

Message Text

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43

ACTION INR-10

INFO OCT-01 EUR-25 IO-15 ISO-00 CIAE-00 DODE-00 PM-07 H-03

L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 DRC-01 NIC-01 /133 W

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P R 041535Z OCT 73

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 0304

INFO AMEMBASSY BUCHAREST KJGP

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION GENEVA

USMISSION NATO

USMISSION BERLIN

C O N F I D E N T I A L BUDAPEST 3360

E.O. 11652: GDS

TAGS: PFOR, EGENJV EG; HU; EC/COMECON

SUBJECT: COMECON/EC CONTACTS

REF: STATE 190641

SUMMARY: HIGHLY INTERESTING STATEMENT BY JANOS KADAR, FIRST SECRETARY

HUNGARIAN WORKERS PARTY, TO FINNISH TV AND RADIO CORRESPONDENTS
SEPT 27 PUT GOHHON RECORD AS FAVORING BILATERAL TIES WITH EC MEMBER
STATES, WITH EC/CEMA ROLE LIMITED TO A FACILITATIVE ONE. HIS PUBLIC
COMMENT, NOT PUBLISHED IN VERNACULAR PRESS, MAY BE FURTHER INDICATION
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OF RESISTANCE TO SOVIET EFFORTS TO ESTABLISH INSTITUTIONALIZED EC/CEMA

CONTACTS. END SUMMARY.

1. WE ARE STRUCK BY PASSAGE DEALING WITH EC/CEMA CONTACTS IN KADAR INTERVIEW WITH FINNISH RADIO AND TV REPORTERS. TEXT OF INTERVIEW WAS CARRIED BY MTI BULLETIN, OFFICIAL HUNGARIAN NEWS AGENCY'S ENGLISH SERVICE BUT DID NOT APPEAR IN VERNACULAR PRESS.

2. REPLYING TO QUESTION RE HIS VIEWS ON POSSIBILITIES FOR TRADE AND COOPERATION BETWEEN "VARIOUS INTEGRATED SERVICES" KADAR REPLIED AS FOLLOWS: "I AM CONFIDENT THAT WE ARE LOOKING TOWARDS AN ERA OF DYNAMIC TRADE RELATIONS WITHOUT DISCRIMINATION BECAUSE THIS SERVES MUTUAL INTERESTS. BETWEEN COMMON MARKET AND CEMA IN THEIR QUALITIES AS ORGANIZATIONS -- IF I MAY PUT IT THAT WAY -- THERE NEED NOT BE ECONOMIC REALTIONS. WHAT WE REQUIRE FROM CONTACTS BETWEEN TWO ORGANIZATIONS IS THEIR OFFERING POSSIBILITY FOR MEMBER COUNTRIES TO TAKE SERIOUS STEPS TOWARDS WIDENING THEIR ECONOMIC TIES AND COOPERATION AND FACILITATING CONTACTS AMONG MEMBER COUNTRIES BECAUSE NEITHER CEMA NOR THE COMMON MARKET IN THEMSELVES HAVE ANY OTHER ECONOMIC BACKGROUND THAN THAT PROVIDED BY MEMBER COUNTRIES."

3. IT IS MOST INTERESTING THAT CLEAREST STATEMENT TO DATE ON EC/CEMA CONTACTS IS MADE BY KADAR HIMSELF, AND IN A CAPITALIST COUNTRY

TO BOOT, AS ONE HUNGARIAN SOURCE POINTED OUT. STATEMENT RECEIVED UNUSUAL TV TREATMENT ON SEPTEMBER 28 PROGRAM OF JOSZEF PALFFY, POPULAR TV NEWSCASTER. IN REPORTING ON KADAR VISIT TO FINLAND PALFFY SUDDENLY COMMENTED "AND HERE IS A SIGNIFICANT STATEMENT". THERE FLASHED ON SCREEN TV CLOP OF KADAR MAKING ABOVE STATEMENT, ONLY DIRECT QUOTE USED. STATEMENT RECEIVED NO FURTHER ATTENTION IN HUNGARIAN MEDIA.

4. DELICACY OF ISSUE OF EC/CEMA CONTACTS INDICATED BY LACK OF PRESS COVERAGE. THIS JUDGMENT SEEMS FURTHER SUPPORTED BY FACT THAT BEFORE VISIT TO FINLAND NEPSZABADSAG ON SEPT 23 CARRIED OBVIOUSLY WRITTEN QUESTIONS AND ANSWERS RE EC/CEMA CONTACTS FROM KADAR'S INTERVIEW WITH FINNISH PAPER HELSINGEN SONAMAT. BUT NOWHERE IN INTERVIEW DOES A SIMILAR STATEMENT APPEAR. NEPSZABADSAG DID NOT CARRY LATER TV-RADIO INTERVIEW FROM FINLAND AT ALL.

5. ONE PRESS SOURCE WHO HAS BEEN RELIABLE IN PAST CLAIMS EAST
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GERMANS, FOLLOWED CLOSELY BY POLES, HUNGARIANS AND ROMANIANS TOOK STRONG STANDS AT JULY WP SUMMIT MEETING IN CRIMEA AND AT CEMA MEETINGS SINCE THEN RE NECESSITY FOR BILATERAL RELTIONS WITH EC AND INDIVIDUAL MEMBERS. WHILE IT IS QUITE POSSIBLE THAT KADAR WENT FARTHER IN HIS PRESS CONFERENCE THAN HE MIGHT HAVE INTENDED WE ARE INCLINED TO DOUBT IT.

WE HAVE DISTINCT IMPRESSION THAT HUNGARY (PROBABLY LIKE OTHER WP
COUNTRIES) DOES NOT LIKE IDEA OF BLOC-TO-BLOC APPROACH TO EC
APPARENTLY FAVORED BY SOVIETS, REGARDING IT AS SOVIET ATTEMPT TO
CONTROL ITS RELATIONS WITH PRINCIPAL WE COUNTRIES. GOH WISHES TO
KEEP ITS OPTIONS OPEN TO APPROACH EC MEMBER STATES INDIVIDUALLY
AND POSSIBLY EC DIRECTLY. IT MAY WANT THIS LATTER OPTION BECAUSE
OF ITS FEAR OF DISCRIMINATION AGAINST HUNGARIAN AGRICULTURAL PRODUCTS
BY EEC.
PEDERSEN

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